

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**(A CHARTER SCHOOL AUTHORITY ESTABLISHED BY,
AND UNDER THE AUSPICES OF, MIAMI SHORES VILLAGE,
A FLORIDA MUNICIPAL CORPORATION)**

Miami Shores, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2015

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MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES

11301 N.W. 5th Avenue
Miami Shores, Florida 33168
(305) 754-2381

2014-2015

Board of Directors

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Vice Chair	Dr. Joan Lutton, (2014-2015)
Treasurer	Connie Benson, (2014-2015)
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Ted Kretzhmar (2014-2015)	Dr. Chester Morris (2014-2016)
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Paul Calli, Esq (2015-2016)	Rachel Comeau (2015-2016)
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Shlomi Dinar, PhD (2015-2016)	Daryl Gallo (2015-2016)
Stephen Mumby (2015-2016)	Francine Steelman (2015-2016)

School Administration

Nicholas Dorn,	Executive Director
Nadine Azor,	Assistant Principal
Doug Garber,	Assistant Principal



INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Shores Village Charter School Authority
d/b/a Doctors Charter School of Miami Shores
Miami Shores, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores, (DCSMS) a Charter School Authority established by, and under the auspices of, Miami Shores Village, a Florida municipal corporation, as of, and for the year ended June 30, 2015, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of DCSMS at June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2015, on our consideration of DCSMS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 25 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

HLB Gravin LLP
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 28, 2015

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

As management of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS), we offer readers of DCSMS's financial statements this narrative overview and analysis of the financial activities of the DCSMS for the year ended June 30, 2015. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

DCSMS provided middle and high school education for 588 students in grades six through twelve under a charter sponsored by the District School Board of Miami-Dade County, Florida.

Our new school consists of three concrete buildings on a five acre campus. The buildings include a 5,300 square foot media center, an 8,000 square foot cafeteria, and a 33,000 square foot, two story classroom building. The building is a concrete structure with state-of-the-art science labs, a media center, music room, dining area and an outdoor physical education court.

Financial Highlights

1. The net position of the School at June 30, 2015 was \$548,386.
2. At year-end, the School had current assets on hand of \$572,583.
3. The net position of the School increased by \$137,085 during the year.
4. The unassigned fund balance at year end was \$181,993.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the DCSMS's basic financial statements. DCSMS's financial statements for the year ended June 30, 2015 are presented under GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of DCSMS's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of DCSMS's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time the change in net position serve as an indicator of whether the financial position of DCSMS is improving or deteriorating.

The *Statement of Activities* presents information on how DCSMS's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 - 11 of this report.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Fund financial statements

A "fund" is a collection of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. DCSMS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the DCSMS are governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

DCSMS adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 - 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, net position was \$548,386 at the close of the fiscal year. A summary of the School's net position as of June 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Cash	\$551,529	\$454,362
Receivables	1,618	-
Prepaid expenses and other assets	1,118	7,300
Due from other agencies	18,318	26,885
Deposits, Longterm	21,216	21,216
Capital Assets	<u>203,931</u>	<u>259,446</u>
Total Assets	<u>797,730</u>	<u>769,209</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Current liabilities	<u>249,344</u>	<u>357,908</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Investment in capital assets	203,931	259,446
Restricted	140,128	137,230
Unrestricted	<u>204,327</u>	<u>14,625</u>
Total Net Position	<u>\$548,386</u>	<u>\$411,301</u>

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

At the end of the year, DCSMS is able to report continued positive balances in the categories of net position. The same situation held true for the prior fiscal year.

A summary and analysis of DCSMS's revenues and expenses for the years ended June 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
REVENUES		
State capital outlay funding	\$ 271,051	\$468,181
State passed through local	3,694,502	3,492,604
Local sources	321,374	50,000
Federal school lunch program	176,974	127,133
Federal sources	-	-
Charges for services	118,192	162,772
Fundraising and other revenues	32,610	142,440
Interest Income	1,566	11,985
Total Revenues	<u>4,616,269</u>	<u>4,455,115</u>
EXPENSES		
Instruction	2,470,243	2,494,028
Instruction and Curriculum	-	-
Development Services	104,184	148,706
Instructional Staff Training Services	-	-
General Administration	327,815	455,077
School Administration	471,507	466,828
Fiscal Services	120,861	83,174
Food Services	190,636	145,208
Central Services	51,197	29,665
Pupil Transportation Services	91,290	92,340
Operation of Plant	288,754	278,978
Maintenance of Plant	198,533	248,592
Community Service	75,532	59,006
Unallocated depreciation	88,632	123,275
Total Expenses	<u>4,479,184</u>	<u>4,624,877</u>
Increase(decrease) – in net position	137,085	(169,762)
Net Position at Beginning of Year	<u>411,301</u>	<u>581,063</u>
Net Position at End of Year	<u>\$548,386</u>	<u>\$411,301</u>

DCSMS's revenue increased by \$161,154 in the current year and expenses decreased by (\$145,693). The most significant cause for the revenue increase was an increase in state passed through local. The decrease in expenses is mainly due to decrease in general administration which includes salaries.

School Location and Lease of Facility

The School leases a facility located at 11301 N.W. 5th Avenue.

Capital Improvement Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

School Enrollment

This past year, the School had approximately 590 students enrolled in grades six through twelve.

Achievements

Doctor Charter School of Miami Shores is a college preparatory municipal charter school. Teaching students in sixth through twelfth grades, the school continues to be recognized as an "A" rated school. Ranked almost amongst the top public traditional and charter schools in the State of Florida, the school was recognized by the Florida Consortium of Public Charter Schools as a Florida Gold Seal of Excellence School; furthermore, Newsweek, U.S. News and World Report, and the Washington Post have rated Doctors Charter School in the top 2.5% of all public high schools in the U.S.

The highly qualified and certified faculty and staff at Doctors Charter School averages more than fifteen years of experience in Education and over fifty percent of the faculty possess Master's degrees or higher. Instructional faculty members teach to their passions while maintaining high expectations and the new state standards in their classrooms. Students are encouraged to test their personal limits to achieve academic goals. Doctors Charter School offers relevant and rigorous academic programming in a safe, personable, and community-based setting.

Academics, athletics, extra-curriculum activities, and even international travel provide students with intellectual, physical, creative, charitable, and adventuresome opportunities to explore themselves and their potential. Students in grades 6-8 develop valuable study skills pertinent for success at the high-school level. As for grades 9-12, students engage in challenging courses geared to position them for success beyond graduation at the college level. Advanced placement and dual-enrollment courses and programs are afforded to students who seek to accelerate their academic career, and a supportive faculty and staff maintain a student-centered educational environment. With a 100% college acceptance rate, our graduates pursue studies at public and private universities and colleges.

Accommodating and accessible, Doctors Charter School faculty members aim to strengthen student achievement, involve parents and families in the process, and enhance student experiential learning. In order to provide our students with quality educational experiences, we maintain a state-of-the-art instructional technology infrastructure and science laboratories. Integrating STEM programming annually into our academics while also affording students with exposure to the visual and performing arts, Doctors Charter School provides a well-rounded education. Beyond the school-day, our scholar-athletes can participate in approximately ten different sports (e.g. Swimming, Volleyball, Soccer, Baseball, Track and others) and an array of other special interest and extra-curricular pursuits (e.g. Key Club, Chess Club, Pep Squad, Interact, and more). An education at Doctors Charter School includes more than academics; it incorporates the full spectrum of experiences that all students need in order to become socially aware individuals, participatory members in their neighborhoods, and community servants at large. We strive to live our mission and represent the best of ourselves daily.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund of \$344,455. The fund balance unassigned and available for spending at the School's discretion is of \$181,993.

Capital Assets

The School's investment in capital assets as of June 30, 2015 amounts to \$ 203,931 (net of accumulated depreciation). This investment in capital assets includes improvements, furniture, fixtures and computer equipment. The School has no outstanding debt associated with capital assets.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental fund to demonstrate compliance with the School's budget.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
State passed through local	\$ 3,800,000	\$ 3,800,000	\$ 3,694,502
Local sources	-	-	321,374
Charges for services	-	-	86,812
Interest and other income	65,000	65,000	677
Total Revenues	<u>\$ 3,865,000</u>	<u>\$ 3,865,000</u>	<u>\$ 4,103,365</u>
Expenditures:			
Current:			
Instruction	\$ 2,477,811	\$ 2,477,811	\$ 2,470,243
Instructional and Curriculum			
Development	-	-	104,184
General Administration	361,802	361,802	327,815
School Administration	520,253	520,253	471,507
Fiscal Services	87,500	87,500	120,861
Central Services	34,786	34,786	51,197
Pupil Transportation Services	110,000	110,000	91,290
Operation of Plant	109,000	109,000	141,872
Maintenance of Plant	82,000	82,000	109,490
Capital Outlay:			
Furniture & equipment	40,000	40,000	-
Contingency Expense	-	-	-
Total Expenditures	<u>\$ 3,823,152</u>	<u>\$ 3,823,152</u>	<u>\$ 3,888,459</u>

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

Request for Information

This financial report is designed to provide a general overview of the DCSMS's finances for all those with an interest in the DCSMS's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to Mr. Nicholas Dorn, Executive Director, Doctors Charter School, 11301 N.W. 5th Avenue, Miami Shores, Florida 33168. Telephone number: (305) 754-2381.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	
	2015	2014 (Summarized Comparative Information)
<u>Assets</u>		
Current Assets:		
Cash	\$ 551,529	\$ 454,362
Accounts receivable, net of allowance	1,618	-
Due from other agencies	18,318	26,885
Prepaid expenses	1,118	7,300
	<u>572,583</u>	<u>488,547</u>
Capital assets, depreciable	1,450,671	1,417,554
Less accumulated depreciation	<u>(1,246,740)</u>	<u>(1,158,108)</u>
	203,931	259,446
Deposits	<u>21,216</u>	<u>21,216</u>
Total Assets	<u>797,730</u>	<u>769,209</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	30,430	1,084
Accrued liabilities	218,914	356,824
Total Liabilities	<u>249,344</u>	<u>357,908</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>	<u>-</u>
<u>Net Position</u>		
Net Investment in capital assets	203,931	259,446
Restricted	140,128	137,230
Unrestricted	204,327	14,625
Total Net Position	<u>\$ 548,386</u>	<u>\$ 411,301</u>

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS	2015					2014
	Program Revenues					(Summarized Comparative Information)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	Net (Expense) Revenue and Changes in Net Position
Component Unit Activities:						
Instruction	\$ 2,470,243	\$ -	\$ 321,374	\$ -	\$ (2,148,869)	\$ (2,444,028)
Instruction and Curriculum Development	104,184	79,762			(24,422)	(30,563)
General Administration	327,815				(327,815)	(455,077)
School Administration	471,507				(471,507)	(466,828)
Fiscal Services	120,861				(120,861)	(83,174)
Food Services	190,636	31,380	176,974		17,718	21,644
Central Services	51,197				(51,197)	(29,665)
Pupil Transportation Services	91,290	7,050			(84,240)	(87,430)
Operation of Plant	288,754			271,051	(17,703)	189,203
Maintenance of Plant	198,533				(198,533)	(248,592)
Community Services	75,532		32,610		(42,922)	83,434
Unallocated Depreciation	88,632				(88,632)	(123,275)
Total Component Unit Activities	4,479,184	118,192	530,958	271,051	(3,558,983)	(3,674,351)
General revenues:						
Government grants not restricted to specific programs					3,694,502	3,492,604
Interest and other income					1,566	11,985
Change in Net Position					137,085	(169,762)
Net position - beginning					411,301	581,063
Net position - ending					<u>\$ 548,386</u>	<u>\$ 411,301</u>

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
BALANCE SHEET
JUNE 30, 2015

	2015			2014	
	General Fund	Special Revenue Fund	Non-major fund fundraising	Total Governmental Funds	(Summarized Comparative Information)
<u>Assets</u>					
Cash	\$ 304,747	\$ 147,052	\$ 99,730	\$ 551,529	\$ 454,362
Accounts receivable, no allowance necessary	1,618	-	-	1,618	-
Due from other agencies	-	18,318	-	18,318	26,885
Prepaid expenses	1,118	-	-	1,118	7,300
Deposits receivable	21,216	-	-	21,216	21,216
Interfund receivable	64,361	-	-	64,361	54,376
Total Assets	393,060	165,370	99,730	658,160	564,139
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Accounts payable and accrued liabilities	249,344	-	-	249,344	357,908
Interfund liability	-	25,242	39,119	64,361	54,376
Total Liabilities	249,344	25,242	39,119	313,705	412,284
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Unassigned	121,382	-	60,611	181,993	(13,891)
Unspendable	22,334	-	-	22,334	28,516
Restricted	-	140,128	-	140,128	137,230
Total Fund Balance	143,716	140,128	60,611	344,455	151,855
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 393,060	\$ 165,370	\$ 99,730	\$ 658,160	\$ 564,139

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Total Fund Balance - Governmental Funds \$ 344,455

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets of \$1,450,671 net of accumulated depreciation of \$1,246,740 used in governmental activities are not financial resources and therefore are not reported in the fund.

203,931

Total Net Position - Governmental Activities \$ 548,386

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	2015			2014	
	General Fund	Special Revenue Fund	Non-major fund fundraising	Total Governmental Funds	(Summarized Comparative Information)
Revenues:					
State capital outlay funding	\$ -	\$ 271,051	\$ -	\$ 271,051	\$ 468,181
State passed through local	3,694,502	-	-	3,694,502	3,492,604
Local sources	321,374	-	-	321,374	50,000
Federal sources	-	-	-	-	-
Federal school lunch program	-	176,974	-	176,974	127,133
Charges for services	86,812	31,380	-	118,192	162,772
Fundraising and other revenues	-	-	32,610	32,610	142,440
Interest and other income	677	889	-	1,566	11,985
Total Revenues	\$ 4,103,365	\$ 480,294	\$ 32,610	\$ 4,616,269	\$ 4,455,115
Expenditures:					
Current:					
Instruction	\$ 2,470,243	\$ -	\$ -	\$ 2,470,243	\$ 2,494,028
Instructional and Curriculum Development	104,184	-	-	104,184	148,706
General Administration	327,815	-	-	327,815	455,077
School Administration	471,507	-	-	471,507	466,828
Fiscal Services	120,861	-	-	120,861	83,174
Food Services	-	190,636	-	190,636	145,208
Central Services	51,197	-	-	51,197	29,665
Pupil Transportation Services	91,290	-	-	91,290	92,340
Operation of Plant	141,872	180,000	-	321,872	278,978
Maintenance of Plant	109,490	55,925	-	165,415	248,592
Community Services	-	-	75,532	75,532	59,006
Capital Outlay:					
Other Capital Outlay	-	33,117	-	33,117	79,856
Total Expenditures	3,888,459	459,678	75,532	4,423,669	4,581,458
Excess (deficit) of Revenues Over Expenditures	214,906	20,616	(42,922)	192,600	(126,343)
Other financing sources					
Transfer in and (out)	17,718	(17,718)	-	-	-
Net change in fund balance	232,624	2,898	(42,922)	192,600	(126,343)
Fund Balance at beginning of year	(88,908)	137,230	103,533	151,855	278,198
Fund Balance at end of year	\$ 143,716	\$ 140,128	\$ 60,611	\$ 344,455	\$ 151,855

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Change in Fund Balance - Governmental Funds \$ 192,600

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$33,117 differed from depreciation expense of \$88,632.

(55,515)

Change in Net Position of Governmental Activities \$ 137,085

The accompanying notes are an integral part of this financial statement.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 – Organization and Operations

Reporting Entity

Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS) was created under Chapter 2, Article VI, Sections 2.90 et seq. of the Miami Shores Village Code, a Florida municipal corporation and has established a charter school for children from grades six through twelve.

The general operating authority of DCSMS is contained in Section 1002.33 of the Florida Statutes. DCSMS operated under a charter of the sponsoring district, the District School Board of Miami-Dade County, Florida (the “District”). The charter is effective until June 30, 2020. These financial statements are for the fiscal year ended June 30, 2015 which covers the 2014-2015 school year. DCSMS had an enrollment of 588 students during that school year. The Board of Directors has determined that no component unit exists that would require inclusion in the School’s financial statements.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions of Florida Statutes, DCSMS is presented as a governmental organization for financial statement reporting purposes.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for DCSMS as a whole. Any interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as DCSMS does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not properly included with program revenues are reported as general revenues.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Major individual governmental funds are reported as separate columns in the fund financial statements:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund - accounts for specific revenue, such as capital outlay funding and federal lunch program that are legally restricted to expenditures for particular purposes.

Fundraising Fund – used to account for revenues from fundraising events and other private sources which are designated to finance particular functions and activities in accordance with administrative requirements.

Measurement Focus and Basis of Accounting

The financial statements of DCSMS are prepared in accordance with generally accepted accounting principles (GAAP). DCSMS's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

DCSMS recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when DCSMS provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. DCSMS considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

Due from Other Governments or Agencies

Amounts due to DCSMS by other governments or agencies are for grants or programs under which the services have been provided by DCSMS.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Inter-fund Transfers

Outstanding balances between funds are reported as “due to/from” other funds. Inter-fund transfers are made to move any excess or shortage of funds derived from the National School Lunch Program from the Special Revenue Fund to the General Fund.

Charges for Services

DCSMS charges students for various instruction and curriculum development programs including music, tutoring, food, and art programs. These activities are recorded in the general fund since the fees charged are only to supplement the programs and the cost of such programs substantially exceed the fees.

Capital Assets

DCSMS’s property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated assets are stated at fair value on the date donated. DCSMS generally capitalizes assets with a cost of more than \$750 for tangible personal property and more than \$1,500 for improvements other than buildings. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the statement of activities. Estimated useful lives, in years, for depreciable assets are as follows:

Building and Fixed Equipment	10 Years
Furniture and Fixtures	5 Years
Computer and Software	3 Years

Pursuant to the Florida Statutes, any capital assets purchased with funds provided by the District would revert to the District upon termination of the charter. Management maintains records of such purchases. During the year ended June 30, 2015, no assets were purchased with capital outlay or FTE funds.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in DCSMS's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, DCSMS will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for DCSMS is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported DCSMS during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

In addition, DCSMS receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities.

Compensated Absences

DCSMS grants a specific number of sick days. Full time faculty members are eligible for ten days of sick/personal leave as of the first day of employment for each contract year. In the event that available time is not used by the end of the contract year, employees may “cash out” unused sick days however, the employees may only cash out up to 6 days at 50% of their daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years.

Net position and Fund balance classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. Restricted net position of DCSMS relate to reserves required by the landlord for property maintenance and repairs.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets."

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance of DCSMS relate to reserves required by the landlord for property maintenance and repairs.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of DCSMS's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by DCSMS's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - fund balance is the residual classification for DCSMS's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

DCSMS's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, Non-spendable fund balances are determined. Then, Restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes

DCSMS is an agency of Miami Shores Village, a Florida municipal corporation pursuant to Chapter 2, Article VI, Sections 2.90 et seq of the Village Code, and is, therefore, exempt from income tax. In addition, during the year, DCSMS was granted tax exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no tax provision has been made in the accompanying financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, DCSMS has evaluated subsequent events and transactions for potential recognition or disclosure through August 28, 2015, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 – Deposits Policy and Credit Risk

It is DCSMS's policy to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2015, the carrying amount of DCSMS's deposits was \$551,529 and the respective bank balances totaled \$ 599,232.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. Bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2014, bank balances in potential excess of FDIC coverage totaled \$ 313,276.

Note 4 – Contingencies and Concentrations

DCSMS receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, DCSMS participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of DCSMS.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5 – Changes in Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2015:

	Balance 6/30/2014	Addition	Disposal	Balance 6/30/2015
Capital Assets:				
Furniture and fixtures	\$ 625,535	\$ 14,450	\$ -	\$ 639,985
Building and fixed equipment	632,621	6,975	-	639,596
Computer software	159,398	11,692	-	171,090
Total Capital Assets	<u>1,417,554</u>	<u>33,117</u>	-	<u>1,450,671</u>
Less Accumulated Depreciation:				
Furniture and fixtures	(624,723)	(2,221)	-	(626,944)
Building and fixed equipment	(474,192)	(63,440)	-	(537,632)
Computer software	(59,193)	(22,971)	-	(82,164)
Total Accumulated Depreciation	<u>(1,158,108)</u>	<u>(88,632)</u>	-	<u>(1,246,740)</u>
Capital Assets, net	<u>\$ 259,446</u>	<u>\$ (55,515)</u>	<u>\$ -</u>	<u>\$ 203,931</u>

Depreciation expense for the year ended June 30, 2015 was \$88,632.

Note 6 – Related Party Transactions

DCSMS's building and facilities are located on land owned by Barry University, Inc., which leases the property to Miami Shores Village (MSV) under a "Ground Lease Agreement" which expires March 31, 2019. Under the terms of the "Ground Lease Agreement", MSV owns a fee simple interest in all improvements made on the property which include the erected building and facilities. DCSMS subleases the real property and improvements (collectively the "Premises"), from MSV under the "Charter School Sublease Agreement" which expires August 7, 2020, with base rent (subject to annual adjustment beginning with the sixth year) of \$180,000 per annum, payable annually in arrears on the last day of each school year during the term of the lease. The annual adjustment beginning in the sixth year was not enforced by MSV.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6 – Related Party Transactions (continued)

MSV received support for the construction of the building and facilities from North Dade Medical Foundation, Inc. (NDMF) in the form of a \$5,000,000 grant. Under a grant agreement between NDMF and MSV, a portion of those funds is to be used to supplement the annual operating income of the charter school operations, as needed. As of June 30, 2015 the grant had an available balance of approximately \$1,400,000.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of DCSMS. For the year ended June 30, 2015, administrative fees withheld by the School District totaled \$30,809.

Note 7 – Commitments

DCSMS has elected to participate in a Group Retirement Annuity Trust (the “Plan”) to provide retirement savings and incidental benefits for its employees. Employees may contribute a percentage of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. DCSMS will contribute up to 5% of the employee’s base salary and will match an additional amount at the discretion of management. As of June 30, 2015, DCSMS incurred \$89,735 in contribution costs related to the Plan.

Note 8 – Risk Management

DCSMS is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which DCSMS carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund		
	Original Budget	Final Budget	Actual
Revenues:			
State passed through local	\$ 3,800,000	\$ 3,800,000	\$ 3,694,502
Local sources	-	-	321,374
Charges for services	-	-	86,812
Interest and other income	65,000	65,000	677
Total Revenues	<u>\$ 3,865,000</u>	<u>\$ 3,865,000</u>	<u>\$ 4,103,365</u>
Expenditures:			
Current:			
Instruction	\$ 2,477,811	\$ 2,477,811	\$ 2,470,243
Instructional and Curriculum			
Development	-	-	104,184
General Administration	361,802	361,802	327,815
School Administration	520,253	520,253	471,507
Fiscal Services	87,500	87,500	120,861
Central Services	34,786	34,786	51,197
Pupil Transportation Services	110,000	110,000	91,290
Operation of Plant	109,000	109,000	141,872
Maintenance of Plant	82,000	82,000	109,490
Capital Outlay:			
Furniture & equipment	40,000	40,000	-
Contingency Expense	-	-	-
Total Expenditures	<u>\$ 3,823,152</u>	<u>\$ 3,823,152</u>	<u>\$ 3,888,459</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
Revenues:			
State capital outlay funding	\$ 225,000	\$ 225,000	\$ 271,051
Federal sources	-	-	-
Charges for services	60,000	60,000	31,380
Federal school lunch program	100,000	100,000	176,974
Interest income	-	-	889
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 385,000</u>	<u>\$ 385,000</u>	<u>\$ 480,294</u>
Expenditures:			
Current:			
Instruction	\$ -	\$ -	\$ -
Food service	150,000	150,000	190,636
Operation of Plant	180,000	180,000	180,000
Maintenance of Plant	-	-	55,925
Capital Outlay:			
Facilities Acquisition and Construction	-	-	33,117
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 459,678</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores ("DCSMS") as of, and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the DCSMS's basic financial statements and have issued our report thereon dated .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DCSMS's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DCSMS's internal control. Accordingly, we do not express an opinion on the effectiveness of the DCSMS's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DCSMS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of in a separate management letter dated August 28, 2015 pursuant to Chapter 10.850, Rules of the Auditor General.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 28, 2015



CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

Board of Directors of
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores ("DCSMS") as of and for the year ended June 30, 2015 and have issued our report thereon dated August 28, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosure in those reports, which are dated , should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings and recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores ("DCSMS").

Financial Condition

Sections 10.854(1)(e)2, Rules of the Auditor General, requires that we report the results of our determination as to whether or not DCSMS has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that DCSMS did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for DCSMS. It is management's responsibility to monitor DCSMS's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. We have applied such procedures as of the fiscal year end and no deteriorating financial condition has been noted.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether DCSMS maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that DCSMS maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the following recommendation.

ML 15-01 – CAPITALIZATION POLICY

Observation

We noted several expenditures that should have been capitalized in the statement of net position. These items required an audit adjustment.

Recommendation

We recommend that the school capitalization policy be applied to all expenditures.

Management's Response

The School's capitalization policy will be applied to all expenditures.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

HLB Shuman LLP
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 28, 2015